

Communications:

LAD published the first Local Assistance Division newsletter in January. The purpose of the newsletter is to serve as another outreach avenue for the Department and provide general information, updates, and changes about locally administered projects and other items affecting local programs.

LAD held four regional workshops for those interested in applying for Enhancement and Scenic Byway Program funding. In addition, five project sponsor workshops were provided for successful applicants focused on project delivery.

The Division's external webpage continues to be updated regularly to include mass communications to local governments as well as to reflect program and policy changes and new initiatives.

Urban Construction Initiative:

The Urban Construction Initiative (UCI) program now has 11 localities under agreement and administering their entire construction program. This year, the City of Newport News executed the programmatic agreement effective July 1, 2010 after originally expressing intent in 2003. They join the cities of Virginia Beach, Hampton, Richmond, Charlottesville, Harrisonburg, Lynchburg, and Colonial Heights and the towns of Blacksburg, Bridgewater and Dumfries in the program.

The City of Chesapeake and the Town of Purcellville each submitted a resolution of intent to join the initiative this year. These resolutions serve as a starting point for the year-long transition process which is established by Code. Chesapeake and Purcellville will be eligible to enter into the programmatic agreement to join UCI effective July 1, 2011.

In November, the Federal Highway Administration approved the implementation of Virginia's first local certification program for UCI. An open call for letters of intent to seek certification was issued in November. The program encourages localities that have been with the Urban Construction Initiative for at least one year to become certified allowing them additional authority over their transportation program. With certification comes streamlined oversight and stewardship provided by the Department. The City of Virginia Beach and City of Harrisonburg have indicated their plans to move forward with expressing intent for certification in the coming year.

Local Performance and Accountability for Transportation Funding:

LAD produces a biennial report for local performance measurements for bridges and pavements. This report was done in 2009 and will be prepared again in 2011. LAD continues to report local bridge condition (from dashboard) on a quarterly basis through "Virginia Performs". As of July 2010, 97.8% of the bridges on the county maintained system and 90.9% of the bridges on the urban system were rated in "fair or better" condition. The bridge performance target is that 92% of structures are rated in "fair or better" condition.

Since FY06, the Weldon Cooper Center for Public Service has been under contract to VDOT to conduct an annual Road, Street, and Highway Finance Survey. The Survey information is utilized to meet state and federal data requirements for reporting expenditures of maintenance and construction payments by category. This on-line survey provides data to VDOT that fulfills both the state reporting requirements and the annual Federal Highway Administration requirements. The Weldon Cooper Survey for FY2009 has been completed in order to meet financial reporting and certification requirements for localities.

Locally Administered Projects (LAPs):

Project Administration Agreements:

LAD received and processed a total of 100 “Request to Administer” (RtA) forms, up from 68 in FY2009. RtAs are submitted by local governments to request local administration of projects with State or Federal allocations (RtAs are not required for UCI or Transportation Enhancement projects). A total of 256 Locally Administered Project Agreements were completed this year, up from 234 last year. LAD set a goal to have an agreement to localities within 30 days of having an approved RtA form. That goal was met 63% of the time, down slightly from 66% in FY2009.

Locally Administered Projects Manual:

After completion of a fully revised Locally Administered Projects Manual in July 2009, LAD staff continued to engage both VDOT and Local Government customers to identify improvements in the Manual and to include additional streamlining measures. As a result, the value threshold for Federal Acquisition Regulation (FAR) audits for professional consultant contracts was increased, Right of Way Reevaluations for very small projects (those requiring only Programmatic Categorical Exclusions) were eliminated, and numerous processes were clarified or modified. Staff will continue to look for additional improvements in the upcoming year.

Dashboard and PCES for Local Governments:

LAD worked to provide access to and training on Dashboard and VDOT’s Project Cost Estimating System (PCES) to a total of 14 local government staff this year.

FHWA Process Review of Locally Administered Projects Program:

FHWA’s 2008 process review of VDOT’s federal-aid locally administered projects program provided four recommendations for VDOT action – providing additional guidance to local governments and VDOT Project Coordinators, implementing a compliance verification process, providing improved and targeted training for localities, and implementing improved VDOT guidance and oversight for locally administered projects under construction. The first two of these recommendations were implemented through the new LAP manual and LAD continues to work with other Divisions and Districts to implement the final two.

Additionally, FHWA recently published a status report which followed up on the National Review of Locally Administered projects. In that report, VDOT’s program was specifically mentioned with the following statement, **“VDOT’s Local Assistance Division is a best practice that is worth sharing. The section is dedicated to the development and implementation of the LPA program. They are able to crossover the traditional stovepipe structure of VDOT and address issues in a comprehensive way. They foster communication between their own divisions and FHWA to ensure consistency throughout the program.”**

American Reinvestment and Revitalization Act (ARRA):

LAD continued to work with other Central Office Divisions to support Districts to ensure locally administered ARRA projects were monitored effectively. LAD continued to provide guidance to the field as new information or requirements were identified. All locally administered ARRA projects (non-Enhancement) were advertised by mid-July.

Local Partnership Team/Outreach/Training:

The Local Partnership Team did not offer any courses again this year due to a lack of dedicated staff resources. However, LAD has developed a Locally Administered Projects training core curriculum. As part of that core curriculum, LAD began to work with VDOT's Learning Center to develop two new web-based training modules for locally administered projects. The first will be targeted to leadership in the local government, and will focus on providing them with an understanding of what taking on locally administered projects entails, particularly those that are federally funded. The second is targeted to local government project managers and VDOT project coordinators, and will focus on providing them with a basic understanding of their roles and responsibilities and an introduction to the Locally Administered Projects Manual.

Local Compliance:

LAD developed a pilot compliance program for locally administered projects in June 2010. Results of the pilot program will be used to, working with the members of the Local Partnership Team, develop and implement an on-going compliance program for locally administered projects. Implementation of this program is scheduled for early 2011.

Transportation Enhancement:

Policy Update:

The Division initiated discussions with the Commonwealth Transportation Board (CTB) on potential Transportation Enhancement Program policy changes to address issues with Virginia's low reimbursement rate. This included conducting a survey of the CTB members to identify preferred solutions. After seeking public comments on the proposed policy revisions, modifications were made and the CTB established a new policy by resolution in November 2009. The new policy increased minimum funding to 50% of each project request if selected; required 100% funding of selected requests of less than \$200,000 when that request would complete the project; limited FY11 applications to existing projects and reduced the number of eligible categories available to funding for FY12. LAD also began reviewing additional options to address requests of the new Administration.

Program Administration:

As indicated in the Communications section, a total of nine (9) applicant and sponsor regional workshops were held this year. The applicant outreach efforts resulted in the submittal of 136 applications, of which the CTB selected 72 projects for funding. This included the approval of \$3.5 M in tourism initiatives to commemorate the Civil War's sesquicentennial described below. This year, of the projects selected for funding, 74% of the requests were fully funded.

Program staff updated the Enhancement Manual with references to the Locally Administered Project Manual, established a new quarterly report for sponsors to submit to better track project

progress, and updated program eligibility criteria to provide clarity. A new priority ranking system was established for existing Enhancement projects to identify those projects that were making progress and to highlight good candidates for additional funding. The Division conducted four (4) “Enhancement Day” workshops for District Coordinators and Residency personnel. These workshops provide program training and development opportunities. As a result of “Blueprint” staff changes, the Enhancement Team has been more engaged in providing guidance to staff new to the Transportation Enhancement Coordinator role.

Civil War’s Sesquicentennial/Tourism Initiative:

LAD worked with several statewide organizations to outline a proposed Enhancement project that would provide Virginia motorists with key information about the Civil War Sesquicentennial (150th Anniversary) and promote Virginia’s Scenic Byway Program. LAD staff worked with FHWA to verify eligibility and provided assistance to Virginia Tourism Corporation on developing the RfP.

Deallocation Process:

The de-allocation process initiated in 2007 to close-out dormant and/or completed Enhancement projects resulted in an additional 40 projects being closed for final voucher this year; and \$2,907,263 in funds being re-allocated to other active Enhancement Program projects. To improve communication about existing projects, District financial summaries were enhanced and provided to CTB members as well as District Enhancement Coordinators.

Scenic Byway Programs (Virginia and National):

LAD coordinated the Virginia Byway Designation for 3 roadway sections, totaling 28 miles. This now brings the total mileage of Designated Byways in Virginia to 3400. Two National Scenic Byway grants totaling \$464,752 were announced by FHWA for FY09 applications that will provide various improvements to Virginia Byways. The Byway Program Manager worked with various organizations to submit four applications for FY10 funding requesting almost \$3M for this year’s selection process. LAD staff members provided assistance to the Journey through Hallowed Ground Partnership this year and the “Journey through Hallowed Ground” was designated as a National Scenic Byway by FHWA in October, 2009. There are now five nationally designated National Scenic Byways or All-American Roads in Virginia. The Byway Program Manager worked with Public Affairs to update and reprint the Map of Scenic Roads in Virginia.

Forest Highway Program:

LAD worked with the Eastern Federal Lands/FHWA coordinator and U.S. Forest Service to develop a funding strategy to ensure each phase of selected projects will be fully financed in order to bring individual projects to completion. During FY2010 three project phases received a total of \$618,549 in funding. LAD worked with District staff and Eastern Federal Lands/FHWA coordinator to obligate the Forest Highway ARRA funds. After final awards the Forest Highway ARRA funding will result in the construction of 2 bridges and 2 pavement overlay projects. At the Forest Highway Annual meeting, a 5 year plan was developed to maximize utilization of available funding. LAD staff has been working with Eastern Federal Lands/FHWA coordinator on reconciling completed projects.

Urban Construction and Maintenance Program:

Urban Six Year Improvement Program:

During FY10, changes in available allocations required an interim year update of the FY10 Program. LAD provided assistance to District staff and local governments in establishing priorities based on available funding.

Reconciliation of the urban program continues on a rolling basis and residual allocations are being distributed in the annual update to the Six Year Improvement Program. Each district is provided with a list of action items based on the rolling reconciliation/program review.

Also in FY10, LAD undertook the first comprehensive assessment of the urban program – comparing allocations to project estimates and current expenditures. This tool was provided to district staff with guidance and priority on areas needing improvement in delivery of the urban program. Areas of focus include: continued consolidation of projects (financially feasible alternatives) and expenditure of funds on fully funded phases (for federal obligation).

Urban Policy and District Support:

With a critical vacancy in this area, LAD conducted two Urban Day meetings in FY10 with the District Urban Program Managers. These meetings continue to be important in communicating the changing transportation program and promoting consistent and uniform application of program policy. With the transition of new staff in the Districts, we are planning monthly, topic-focused, one-hour Urban Day videoconferences in FY11.

Local Maintenance Program (Urban, Arlington & Henrico)

LAD continued working with the Steering and Technical Committees for the development and implementation of the new Roadway Network System (RNS) and on the task force for the RNS Business Process Re-engineering effort. LAD also worked closely with the Information Technology Division to initiate the Urban Maintenance Inventory System (UMIS) data project that will collect and normalize geographic data for the locally maintained system.

Due to the continuing decline in state revenue, the FY10 local maintenance budget was reduced mid-year to the FY09 budgeted level. LAD responded to the changing conditions by recalculating payments and preparing statewide communications and resources to local government.

During FY10, LAD reviewed and processed urban system changes to include the addition of 5.25 centerline miles of arterials plus 30.61 centerline miles of local/collector roads for a total increase of 88.29 lane miles in the urban system in FY11.

Due to the 2010 Census, there are 4 localities that could potentially exceed 3,500 in population and therefore mandated by Code to come into the Urban System. Meetings were held with Broadway, Berryville, Colonial Beach and West Point to discuss the transaction. Additional meetings, presentations, and training are planned as the Census data is released.

LAD provided input and guidance during the update of the Agency Risk Management and Internal Control Standards (**ARMICS**) audit. There were no findings noted for LAD managed programs.

Devolution:

Secondary System Devolution:

There has been renewed interest in devolution options over the past year. LAD and District staff met with Caroline County to discuss devolution and locally administered projects. Additionally, LAD staff assisted Fairfax County with their Road Takeover Study, which is scheduled for completion in late 2010. LAD staff also provided technical assistance and guidance to the Lexington Residency during discussions between the City of Covington and Alleghany County on possible consolidation.

Continued working with IT to have devolution model updated to reflect current financial information. Due to limited resources in IT, there has not been much progress on this update and current model data is too outdated to provide the desired financial information to interested counties.

Columbia Pike:

LAD worked with District and Central Office staff to review and evaluate Arlington County's request to assume responsibility for this primary road and the options available. Through extensive coordination between Arlington County, the District and other Central Office Divisions, LAD developed a draft Memorandum of Agreement with detailed attachments to accommodate Arlington County's request to transfer Columbia Pike to the County's local system.

Revenue Sharing Program:

LAD updated the Revenue Sharing Program Guide to reflect the tier system in effect as of July 1, 2009 and updated the locally administered project process. For the FY2010 Revenue Sharing Program, 57 localities submitted a total of 122 applications requesting \$39.5M in state matching funds. The breakdown of projects funded was as follows:

- 54 locally administered projects– \$25.2M state matching funds
- 68 VDOT administered projects- \$14.3M state matching funds

The FY11 application process was delayed until confirmation of the 2011 budget that appropriated \$15 million to the program. The deadline for applications for FY11 was June 18th. LAD continued to refine the automated application process established last year to reduce keying duplication. LAD staff worked with Programming and Fiscal Divisions to reconcile allocations shown in FMS & PAM for all Districts in order to be able to implement the new deallocation process. This has involved a significant review of prior Revenue Sharing projects. Over 2000 financial records remain for review towards project closeout before we can begin the de-allocation process.

Access Programs:

LAD staff worked with various VDOT staff, local governments and other entities across the state to successfully allocate \$1,000,000 to assist localities with projects to access three recreational areas; \$2,652,000 for projects to access five economic development sites; and \$450,000 for one project to improve access to a developing airport facility. Staff also continued work on financial closure items associated with completed projects. LAD staff identified options to improve the utilization of Access funding recognizing the impact the economy was having on the ability to utilize the funds. After

presenting recommendations to the CTB, the Economic Development Access Program Policy was revised. LAD staff also updated the program guides for the Economic Development Access and Recreational Access programs and these documents were posted on the LAD web site.

Other Special Funding Programs:

LAD staff outlined the process for establishing Coal Severance Tax projects as an informational tool for VDOT staff that work with the program.

Rural Rustic Roads Program

LAD staff collected and summarized the Rural Rustic Road Program accomplishments. Since the program was established, VDOT has completed 576 rural rustic road projects at an estimated cost savings of over \$180M when compared to the estimated cost of traditional construction methods.

General Assembly:

LAD prepared five legislative proposals for consideration by the Executive team. Of those, **three** were submitted to the Secretary of Transportation.

Represented the Department on legislative issues raised within the Senate Local Government Committee and the House Counties, Cities and Towns Committee, and worked with other Department representatives to assist them with legislation pertaining to their assignments. LAD tracked thirty two proposed bills and prepared legislative impact statements on **six** proposed bills and met with legislators on issues.

Virginia Association of Counties/Virginia Municipal League:

LAD represented the Department at annual conferences as well as at the Transportation Steering Committees for these organizations. LAD staff made presentations on current VDOT initiatives, etc. to VACO and VML members. LAD also partnered with VDOT's Chief Financial Officer to provide an orientation session for newly elected county officials on transportation finance and programs in Virginia.

Staff:

LAD began monthly cross training sessions. On a rotating basis, representatives from the division provide staff with detailed information and a better understanding of the programs they manage.

Other Division actions and staff accomplishments:

- Staff attended a one day team-building retreat at the Richmond District Pavilion.
- Jennifer DeBruhl completed the Executive Leadership Preparation program.
- Jenny Epes joined the Division in June 2010 as an intern with the Wounded Veteran program.
- Sandy Manley completed the Administration Symposium series at Virginia Commonwealth University's School of Business Continuing Education Center
- Eva Battle from Financial Planning and Carol West from Environmental continue to provide administrative assistance due to admin vacancies.

Local Assistance Division Vision, Mission and Goals for FY2010

Vision

LAD will be recognized as a model for effectively establishing programs and policies that promote local partnerships and successful implementation of projects.

Mission

LAD will promote and facilitate partnerships between localities and VDOT to successfully deliver transportation programs and projects.

Organizational Objective (EWP)

The Local Assistance Division will develop and interpret policy dealing with local roads and locality issues, serve as liaison with local government organizations, manage the urban system and several special state and federal funding programs, manage localities system changes, prepare local assistance payments, provide oversight for locally administered projects, coordinate the urban construction program with urban localities and VDOT and coordinate with internal and external customers to successfully carry out our Mission.

Goals for FY 2010 to achieve Mission and Vision

How did we measure up?

- Continue to create a framework through which VDOT and local governments can successfully partner to manage programs and projects
 - *Delivered the fully overhauled Locally Administered Projects Manual.*
 - *Completed development of the Urban Construction Initiative Certification Program, which will allow localities the opportunity to expand their control of program and project decision making with streamlined oversight from VDOT.*
 - *Developed plan for a Core Curriculum for Locally Administered Projects.*
 - *Developed a pilot compliance program for Locally Administered Projects.*
- Enhance communications and foster positive relationships with the other Divisions, the Districts and Residencies and Local Governments
 - *Developed new LAD Quarterly Newsletter and distributed to local governments, VDOT staff, and the Virginia Transportation Construction Alliance.*
 - *Attended meetings of District Area Construction Engineers, District Preliminary Engineering Managers, etc. to provide information on the LAP Manual and UCI Certification Program.*

- *Conducted Transportation Enhancement Applicant and Sponsor Workshops to enhance communication and understanding of the program.*
- *Facilitated Urban Construction Initiative Quarterly Meetings to serve as a forum for VDOT and local government leaders charged with delivery of the urban program.*
- *Hosted Urban Days for District Urban Program Managers and Enhancement Days for District Enhancement Coordinators to facilitate effective policy development and program delivery.*
- *Foster a positive work environment for Division staff*
 - *Held a one day team-building retreat for LAD staff. Staff developed the agenda and facilitated the retreat.*
 - *Created the opportunity for staff members to telecommute. 14 staff members have registered as teleworkers, with 4 of those working on a regular telecommuting schedule. In addition, 5 staff members are working alternate work schedules.*
 - *Provided cross training monthly at staff meetings. Rotated topics within the division to provide all staff understanding of each of our programs.*
 - *Initiated an “employee event” per month in coordination with the kitty fund to promote fun activities.*

Starting in January, LAD developed goals for the division for the next 18 months.

Local Assistance Division Goals January 2010 – June 2011

Strategic – long term impact on the direction of the division

- Create plan and curriculum and deliver resources to assist District local liaisons
- Develop, document and deliver policies affecting the secondary system
- Create plan and engage customers in local performance and accountability

Programmatic - changes to the programs to increase efficiency and effectiveness of our programs

General – multiple sections involved

- Update all guidance documents to reflect organizations changes from Blueprint
- Incorporate UCI into the LAP manual
- Incorporate Enhancement into the LAP manual
- Revamp Division internal and external Web pages

Federal Programs

- Redefine the Enhancement program based on new CTB policy
- Create guidance documents for state and national scenic byway designation programs and national scenic byway funding program.

Locally Administered Projects

- Create a LAP compliance program
- Develop and ensure delivery of LAP outreach internally and externally
- Finalize guidance document for Arlington and Henrico Counties
- Develop additional guidance in LAP manual
 - Construction oversight guidance for LAPs
 - Create and incorporate guidance for locally funded/VDOT administered projects
 - Clarification of S&CD's role in bid package review

State Programs

- Create guidance document for Coal Severance program – Complete

Local Programs

- Provide updated guidance in Urban manual based on Policy changes and legislative action
- Continue development of the UCI certification program